

THE RHODE ISLAND CONVENTION CENTER AUTHORITY 376th MEETING OF THE BOARD OF COMMISSIONERS September 26, 2013
A meeting of the Board of Commissioners of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on September 26, 2013, pursuant to notice, at the Rhode Island Convention Center Boardroom, One Sabin Street, Providence, Rhode Island.

Board members present were Jim Bennett, Patrick Butler, George Nee, Joseph DeLorenzo, Jeffrey Hirsh, Paul MacDonald, Stan Israel, Scott Gunn and Tony Mendez.

Ms Venturini and Ms. Carter were unable to attend.

Also present were James P. McCarvill, Executive Director, Kim Keough and Betty Sullivan, Rhode Island Convention Center Authority; Tim Muldoon, and Nancy Beauchamp, Convention Center; Larry Lepore, Cheryl Cohen, John Ciofli and Robert Cappalli, Dunkin' Donuts Center; Dan Schwartz, The VETS; Martha Sheridan, PWCVB; Susan Johnson, LGC&D; Bruce Leach, Legal Counsel; Joseph Solomon, House Policy office; Robert Eaton, Budget office; Bob Bromley, Senate Fiscal office; Jenna Karlin, Local 217 and Eileen Smith, Recording Secretary.

Mr. Bennett called the meeting to order at 9:05 am and asked for a motion to approve the minutes of the August Board Meeting. Upon a motion duly made by Mr. MacDonald and seconded by Mr. Gunn it

was unanimously

VOTED: to approve the minutes of the August meeting.

Mr. Bennett asked Mr. McCarvill to present the financial information. Mr. McCarvill reported that for the month of August the Convention Center's net income variance was \$19,651 to budget and (\$29,284) to the prior year. Year to date net income for the Convention Center was \$18,716 to budget and (\$154,098) to the prior year. Mr. McCarvill stated that strong food and beverage contributed to the favorable variance. Mr. McCarvill reported that the VETS net income for the month of August was \$6,430 to budget and (\$28,279) to the prior year. Year to date net income was \$24,634 to budget and (\$39,180) to the prior year. Mr. McCarvill reported that the VETS is making headway and things look brighter for the future. Mr. McCarvill reported that for the month of August the Dunkin' Donuts Center's net income variance was \$33,530 to budget and (\$56,205) to the prior year. Mr. McCarvill noted that year to date net income for the Dunkin' Donuts Center was \$51,082 to budget and (\$24,142) to the prior year. Reduced box office staff as well as reductions in operations staff contributed to the positive variance for the month. The RI Convention Authority's net income variance for the month of August was \$19,849 to budget and \$70,830 to the prior year. Year to date net income for the Authority was (\$3,493) to budget and \$80,142 to the prior year. Mr. McCarvill noted that room tax revenue was not as high as budgeted. McCarvill stated that consolidated net income variance for

the month of August was \$79,460 to budget and (\$42,938) to the prior year. Year to date consolidated net income was \$90,940 to budget and (\$137,278) to the prior year. Mr. MacDonald asked who sends us the room tax. Mr. McCarvill stated that we get the check from the State for occupancy at the Omni.

Mr. McCarvill reported that the Audit Committee had met on Tuesday and the 2013 Audit Report was presented. He noted that according to Ms. Johnson this years audit required no audit adjustments except for those requested by management. Ms. Johnson noted that recommendations to improve controls had been suggested in the management letter. In particular, expense report approvals should be brought before the Commissioners over a certain dollar amount. Ms. Johnson stated that LGC&D would prepare a template to be used for recording expenses. Mr. Hirsh stated that the Audit Committee had voted to recommend acceptance of the audit upon approval by the Auditor General. Mr. Hirsh asked for a motion to accept the 2013 Audit upon approval by the Auditor General. Upon a motion duly made by Mr. Nee and seconded by Mr. Butler it was unanimously

VOTED: To accept the 2013 Audit upon approval by the Auditor General.

MARKETING

Mr. Lepore thanked the Police Chief for the support that the

Department provided during the foam event. Mr. Lepore noted that a great of credit for the successful event goes to our own staff. He said that we have set the tone for the industry in how a show of this type should be done. Mr. Lepore noted that the majority of the attendees do nothing wrong. Mr. Nee asked how much money was made on the event. Mr. Lepore responded that approximately \$40,000 was made on the event and we can only allow 4,000 attendees on the floor.

Mr. Lepore stated that Elton John is expected to sell out. He also stated that Donnie & Marie Christmas show is selling well. Mr. Lepore noted that we continue to pursue Wrestlemania with the Krafts. Mr. Gunn asked what our risk is with Elton John. Mr. Lepore stated that we thought we would need a sell out for our guarantee but since his manager lowered the ticket price he also lowered the guarantee. Mr. Lepore said that he is confident that we will reach our goal. Mr. Bennett asked if Mr. Lepore could give the Commissioners some idea of food and beverage impact the show will have on the building. Mr. Lepore said that the economic impact to the City's surrounding restaurants will be huge. The impact to the complex will be parking and our food and beverage should be the biggest per cap event of the season. Mr. Lepore noted that there will be a big impact on suite holders.

Mr. MacDonald asked if anything is being planned for the 40/20 Anniversary celebration. Ms. Keough said that the invitations to the event will be sent out shortly. Mr. Bennett noted that the event is

being held in the Peace/Love room and asked if it could be moved to the Rotunda. Ms. Keough stated that every room at the Convention Center is booked with other events. Mr. DeLorenzo suggested that special recognition should be given to Joe Doorley because without him the Dunkin' Donuts Center would not have been built. Mr. MacDonald noted that labor also played a major role in the building. Ms. Keough said that she would look into the history of the Complex.

Mr. Muldoon reported that the Northeastern Retail Lumber Association was here on a site visit and we are close to signing a contract for a trade show in February 2015. Mr. Muldoon noted that this would be a real convention with exhibitors and many attendees and we are confident that we can do a great job for this group. Mr. Muldoon stated that we are working on a Hasbro a few Hasbro events.

He said that they are planning sales meetings and their Holiday party. Mr. Muldoon said that after a few years of being down, Mr. Muldoon said that there is more interest in Holiday parties. Mr. Muldoon reported that the Providence Boat Show has transferred ownership to the Rhode Island Marine Association. He noted that we are working with the new ownership to increase interest in the show. Mr. Muldoon said that it has been suggested that the Boat Show hire professionals to market the event and not depend solely on volunteers. Mr. MacDonald asked the date of the Boat Show. Mr. Muldoon responded that it will be held the first week in February. Mr. DeLorenzo asked if the economy has had an impact. Mr. Muldoon

said that it has. Mr. Hirsh commented that warm weather shows have grown.

Mr. Schwartz was pleased to report that there had been an event every month for the year at the theater. Mr. Schwartz updated that Board on upcoming events. Mr. Schwartz noted that sales for Spank the 50 Shades of Parody is selling well and that the sequel, Spank Turn the Other Cheek will be here in February. Mr. Schwartz said that Disney Live will be here in February and will return in November 2014 and November 2015. Mr. Schwartz reported that we are waiting for confirmation from Kathy Griffin. He stated that ads have been placed in most local publications.

Mr. Butler asked what was being done about parking. Mr. McCarvill said that he has been working with the State to determine the next steps to utilizing the land adjacent to the theater.

Mr. Schwartz reported that Phase II of the renovations is almost complete and the building looks great.

Mr. Butler referencing the Disney Live suggested our regulations regarding peddlers and hawkers be extended to the VETS. Mr. McCarvill said that we would look into it.

Mr. Nee brought to the Board's attention that Ms. Sheridan was recognized by the Governor. He said that Ms. Sheridan had been named Chairman of the DMAI. Ms. Sheridan said that it is a great

honor.

Ms. Sheridan distributed the CVB report. She noted that we are off to a great start. Ms. Sheridan reported that they are working on an economic impact study of conventions in the City. Ms. Sheridan stated that the Burn Survivors meeting has required a great deal of sensitivity training and this will be an extraordinary experience of the community.

Mr. McCarvill noted that we have seats available for the CVB annual meeting if anyone wishes to attend.

Mr. Bennett asked if there was any other business. Hearing none he asked for a motion to adjourn. Upon a motion duly made by Mr. Butler and seconded by Mr. DeLorenzo it was unanimously

VOTED: to adjourn at 10:15 AM